

HESS CORP  
Form 10-K  
February 25, 2011

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 10-K**

**b ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2010**

**or**

**o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission File Number 1-1204**

**Hess Corporation**

*(Exact name of Registrant as specified in its charter)*

**DELAWARE**

*(State or other jurisdiction of  
incorporation or organization)*

**1185 AVENUE OF THE AMERICAS,  
NEW YORK, N.Y.**

*(Address of principal executive offices)*

**13-4921002**

*(I.R.S. Employer  
Identification Number)*

**10036**

*(Zip Code)*

**(Registrant's telephone number, including area code, is (212) 997-8500)**

**Securities registered pursuant to Section 12(b) of the Act:**

**Title of Each Class**

**Name of Each Exchange on Which Registered**

Common Stock (par value \$1.00)

New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act:**

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant submitted electronically and posted on its Corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of voting stock held by non-affiliates of the Registrant amounted to \$14,497,000,000 computed using the outstanding common shares and closing market price on June 30, 2010.

At December 31, 2010, there were 337,680,780 shares of Common Stock outstanding.

Part III is incorporated by reference from the Proxy Statement for the annual meeting of stockholders to be held on May 4, 2011.

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**HESS CORPORATION**

**Form 10-K**

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Hess Corporation (the Registrant) is a Delaware corporation, incorporated in 1920. The Registrant and its subsidiaries (collectively referred to as the Corporation or Hess) is a global integrated energy company that operates in two segments, Exploration and Production (E&P) and Marketing and Refining (M&R). The E&P segment explores for, develops, produces, purchases, transports and sells crude oil and natural gas. These exploration and production activities take place principally in Algeria, Australia, Azerbaijan, Brazil, Brunei, China, Colombia, Denmark, Egypt, Equatorial Guinea, France, Ghana, Indonesia, Libya, Malaysia, Norway, Peru, Russia, Thailand, the United Kingdom and the United States. The M&R segment manufactures refined petroleum products and purchases, markets and trades refined petroleum products, natural gas and electricity. The Corporation owns 50% of a refinery joint venture in the United States Virgin Islands. An additional refining facility, terminals and retail gasoline stations, most of which include convenience stores, are located on the East Coast of the United States.

**Exploration and Production**

The Corporation's total proved developed and undeveloped reserves at December 31 were as follows:

	<b>Crude Oil, Condensate &amp; Natural Gas Liquids (c)</b>		<b>Natural Gas</b>		<b>Total Barrels of Oil Equivalent (BOE)(a)</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>(Millions of barrels)</b>		<b>(Millions of mcf)</b>		<b>(Millions of barrels)</b>	
<b>Developed</b>						
United States	<b>180</b>	154	<b>199</b>	205	<b>213</b>	188
Europe(b)	<b>210</b>	171	<b>424</b>	417	<b>281</b>	241
Africa	<b>215</b>	241	<b>54</b>	59	<b>224</b>	251
Asia	<b>22</b>	27	<b>638</b>	864	<b>128</b>	170
	<b>627</b>	593	<b>1,315</b>	1,545	<b>846</b>	850
<b>Undeveloped</b>						
United States	<b>124</b>	95	<b>81</b>	101	<b>138</b>	112
Europe(b)	<b>256</b>	159	<b>295</b>	225	<b>305</b>	197
Africa	<b>55</b>	73	<b>9</b>	12	<b>56</b>	75
Asia	<b>42</b>	47	<b>898</b>	938	<b>192</b>	203
	<b>477</b>	374	<b>1,283</b>	1,276	<b>691</b>	587
<b>Total</b>						
United States	<b>304</b>	249	<b>280</b>	306	<b>351</b>	300
Europe(b)	<b>466</b>	330	<b>719</b>	642	<b>586</b>	438
Africa	<b>270</b>	314	<b>63</b>	71	<b>280</b>	326

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Asia	<b>64</b>	74	<b>1,536</b>	1,802	<b>320</b>	373
	<b>1,104</b>	967	<b>2,598</b>	2,821	<b>1,537</b>	1,437

(a) *Reflects natural gas reserves converted on the basis of relative energy content (six mcf equals one barrel). Barrel of oil equivalence does not necessarily result in price equivalence as the equivalent price of natural gas on a barrel of oil equivalent basis has been substantially lower than the corresponding price for crude oil over the recent past. See the average selling prices in the table on page 8.*

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(b) *As a result of acquisitions in 2010, proved reserves in Norway represent 22% of the Corporation's total reserves. Proved reserves in Norway at December 31, 2010 were as follows:*

	<i>Crude Oil and Natural Gas Liquids (Millions of barrels)</i>	<i>Natural Gas (Millions of mcf)</i>	<i>Total Barrels of Oil Equivalent (BOE) (Millions of barrels)</i>
<i>Developed</i>	<i>97</i>	<i>157</i>	<i>123</i>
<i>Undeveloped</i>	<i>167</i>	<i>247</i>	<i>208</i>
<i>Total</i>	<i>264</i>	<i>404</i>	<i>331</i>

(c) *Total natural gas liquids reserves at December 31, 2010, were 102 million barrels (54 million barrels developed and 48 million barrels undeveloped). Total natural gas liquids reserves at December 31, 2009, were 71 million barrels (41 million barrels developed and 30 million barrels undeveloped).*

On a barrel of oil equivalent (boe) basis, 45% of the Corporation's worldwide proved reserves are undeveloped at December 31, 2010 (41% at December 31, 2009). Proved reserves held under production sharing contracts at December 31, 2010 totaled 15% of crude oil and natural gas liquids and 51% of natural gas reserves (24% and 57%, respectively, at December 31, 2009).

The Securities and Exchange Commission (SEC) revised its oil and gas reserve estimation and disclosure standards effective December 31, 2009. See the Supplementary Oil and Gas Data on pages 88 through 97 in the accompanying financial statements for additional information on the Corporation's oil and gas reserves.

Worldwide crude oil, natural gas liquids and natural gas production was as follows:

	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Crude oil (thousands of barrels per day)</b>			
United States			
Offshore	<b>52</b>	39	15
Onshore	<b>23</b>	21	17
	<b>75</b>	60	32
Europe			
United Kingdom	<b>19</b>	21	29
Norway*	<b>16</b>	13	16
Denmark	<b>11</b>	12	11
Russia	<b>42</b>	37	27
	<b>88</b>	83	83



Africa			
Equatorial Guinea	<b>69</b>	70	72
Algeria	<b>11</b>	14	15
Gabon	<b>10</b>	14	14
Libya	<b>23</b>	22	23
	<b>113</b>	120	124
Asia			
Azerbaijan	<b>7</b>	8	7
Other	<b>6</b>	8	6
	<b>13</b>	16	13
Total	<b>289</b>	279	252
<b>Natural gas liquids (thousands of barrels per day)</b>			
United States			
Offshore	<b>7</b>	4	3
Onshore	<b>7</b>	7	7
	<b>14</b>	11	10
Europe*	<b>3</b>	3	4
Asia	<b>1</b>		
Total	<b>18</b>	14	14

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	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Natural gas (thousands of mcf per day)</b>			
United States			
Offshore	<b>70</b>	55	37
Onshore	<b>38</b>	38	41
	<b>108</b>	93	78
Europe			
United Kingdom	<b>93</b>	118	223
Norway*	<b>29</b>	21	22
Denmark	<b>12</b>	12	10
	<b>134</b>	151	255
Asia and Other			
Joint Development Area of Malaysia/Thailand (JDA)	<b>282</b>	294	185
Thailand	<b>85</b>	85	87
Indonesia	<b>50</b>	65	82
Other	<b>10</b>	2	2
	<b>427</b>	446	356
Total	<b>669</b>	690	689
<b>Barrels of oil equivalent (per day)**</b>	<b>418</b>	408	381